

NEWS MEDCO VIEWS

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January 1966

'65 GOOD YEAR AT MEDCO; '66 SHOULD CONTINUE STRONG

This year, as most years lately, came and went with surprising speed. Most of us came through in good condition. A little older and, we hope, a lot wiser.

We enjoyed the important benefits of full employment and an uninterrupted work schedule throughout the year.

Market Report

'66 Sales Outlook Good

Sales Manager **Ed Nave** and **Dick Atterbury**, Assistant Sales Manager, have been looking into their crystal ball to see if they could come up with some sort of a prediction for the months ahead.

"It's a pretty chancy business trying to analyze all the complicated factors that make up today's markets," they agreed, "but we'll try a limited prediction."

The year has started on a relatively good level, and should continue until late February or mid-March. A slow-down can then be anticipated due to the weather, and various economic factors.

A gradual pick-up should then carry through the summer, and into early fall. But after that? "We'll wait until later in the year to go beyond this point because of the effect that an election year can cause on our general economy. Overall, we anticipate the net results of this year to be about the same as last year."

Currently, the plywood market is reflecting advancing prices in sanded prices, with sheathing remaining rather stable. The total effect of car shortages and bad weather cannot be weighed at this time.

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The 5x10 press in the Plywood Plant was increased to 34 openings, making it the biggest in the area. We "weathered" the flood that was disastrous to many areas. The Woods crew worked some long days during this winter season.

The presidency of MEDCO came home to Medford when R. J. "Russ" Hogue was elected to this position. The Shay Locomotive and "Old 3 Spot" left the plant—the Shay to a place in history at the Dunsuir Transportation Museum, and 3 Spot took on a new job in the Redwoods, hauling cars over the scenic Skunk Line.

MEDCO's Credit Union had a good

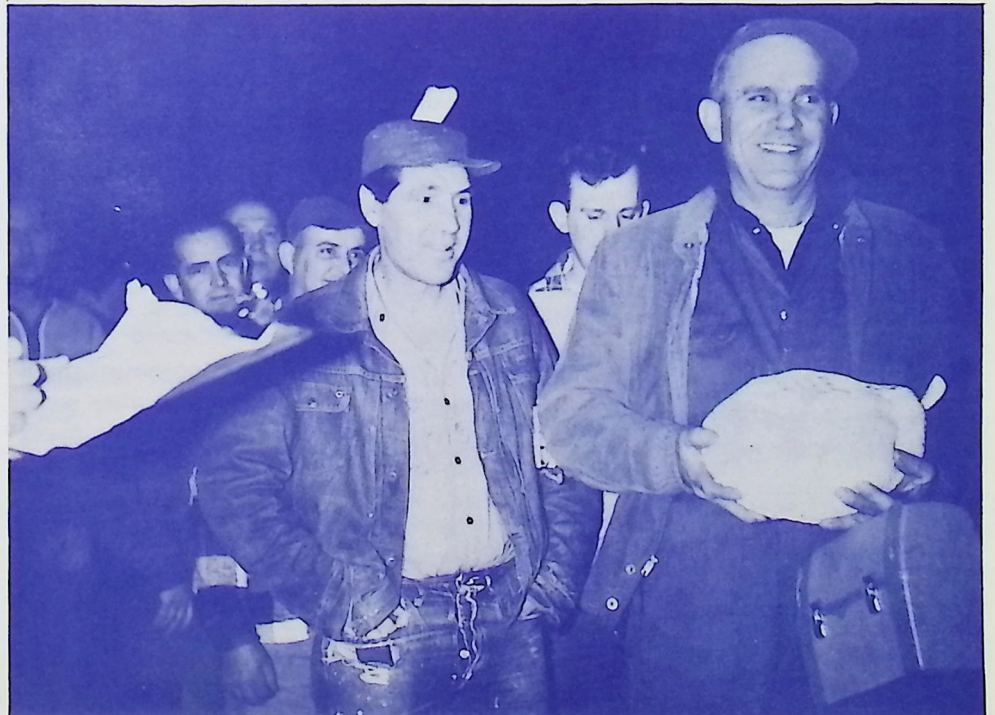
year. The bowlers bowled. The softballers softballed. Mid-year saw an increase in paychecks in line with mutual understandings and agreement.

The Sales Department covered a good area of the Southwest, promoting MEDCO quality products. The Machine Shop celebrated a 200,000 man-hours safety record that spanned 4,000 days, or over eleven years.

Two thousand, one hundred and fifty strong, we enjoyed the MEDCO picnic. We also saw our company's 30th anniversary slip by.

Thanksgiving — Christmas — and suddenly, here we are again, looking forward to the opportunities of a New Year.

A lot of MEDCO employees enjoyed Christmas dinner on MEDCO! Hams won out over turkeys 389 to 164, according to Ed Foster. Shown below are MEDCO-ites (l to r) Floyd Linhart, Teddy Boren, unidentified (not enough of you showing!), Everett Jacobson, Bob Hammond, Richard Decker and Parker Davis.



Increased Social Security Taxes Discussed, Additional Benefits Listed

Following is the first in a series of two articles concerned with the new Social Security tax increase. The conclusion will appear next month.

You will notice that your take-home pay this month is somewhat less than you may have figured. The reason for this is that, beginning with this pay period, the government requires us to deduct more from your wages to pay for your social security taxes than we did last year.

These higher taxes are due to the Social Security Medicare law passed by Congress last year. Last year the tax rate was $3\frac{5}{8}\%$ on the first \$4,800 of your pay; this year it has been increased to $4\frac{1}{8}\%$ on the first \$6,600. The result is a new maximum tax of \$277.20, or \$103.20 more than last year's tax. This is why we have to deduct more taxes from your pay starting January 1.

MEDCO is also required to match your taxes dollar for dollar. MEDCO pays as much of this tax as you do. This year 8.25% of the total MEDCO payroll will be taken by the government to help pay the costs of the social security system—a maximum of \$554.40 for every employee.

Next year our combined tax rate will go to $8\frac{4}{8}\%$ of taxable payrolls, and it will continue to increase under

MEDCO NEWSMAKER NOTES —

Miss Sandra Lee Grimes became the bride of **Laurence Todd Ryerson**, MEDCO power department, in double-ring rites held December 18 in First Presbyterian Church, Medford.

Ryerson is the son of **Laurence A. Ryerson**, MEDCO Steam Engineer, and Mrs. Ryerson.

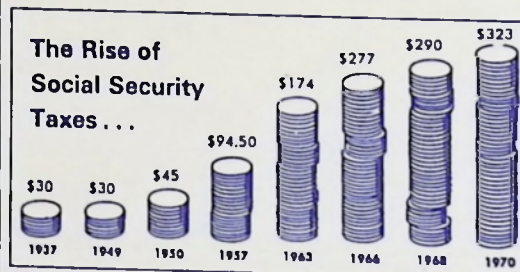
Earl Jones, MEDCO Fork Lift Driver, tells us that his son, who also used to be a MEDCO-ite, is now stationed in Germany with the U.S. Army.

Marty Perreard's son Roger is now stationed at Ft. Hood, Texas, where he is a member of the 22nd Armored Division, the famous "Hell on Wheels" Division. **Marty** is in the MEDCO Machine Shop.

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present law until it reaches 11-3/10%, or \$745.80 per year for every employee. This added cost of doing business, of course, will ultimately be passed on to the consumer in higher prices.

The graph below illustrates the rise in your maximum social security taxes since the system was started until already-planned increases are put into effect in 1970. Following the graph is an examination of benefits and costs involved in the new Social Security-Medicare law.



Medicare Benefits

Nineteen million Americans over 65 will be eligible for medicare benefits, effective July 1, and for nursing home care after January 1, 1967. Medicare offers two programs:

1. Basic program, covering nearly everyone over 65, within limits, provides hospital and nursing home care, some home visits by nurses, and limited hospital outpatient service.
2. Voluntary program, covering those over 65 who choose to enroll and pay \$3 monthly for coverage, provides supplemental benefits, including help on doctor's bills, x-rays and other diagnostic tests, and many surgical supplies and therapeutic devices.

The Cost of Medicare

Officials estimate the cost of medicare benefits will total \$3.7 billion the first year, increasing in future years.

1. For the basic program of medicare only, over and above other social security tax rises this year, employees' payroll taxes will increase as much as \$23.10. This cost will rise to a maximum of \$52.80 for each employee in future years.

2. To finance benefits for people over 65 who are not covered by social security, the U.S. Treasury, out of revenue from taxes other than the

above will provide an estimated yearly \$290 million at the start.

3. For the voluntary, supplemental medicare program, the U.S. Treasury will match the \$3 monthly premiums paid by enrolled persons. The expected starting cost is \$600 million annually.

This discussion of the new Social Security tax increase and subsequent benefits will be concluded next month.

THE BOX CAR SHORTAGE PROBLEM

Principally due to the stormy weather we have been having during the last few weeks, we have been experiencing a rather severe box car shortage.

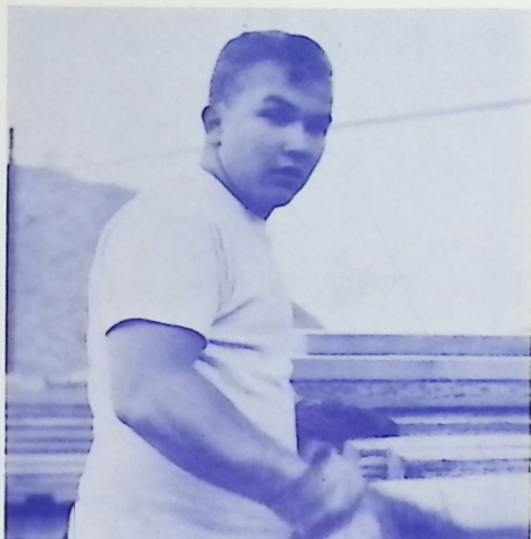
The current troubles center around two slide areas at Glendale and Riddle, limiting the Southern Pacific's traffic movement north. Considerable difficulties with slide areas and flooding have also been prevalent on Southbound movements between Medford and Dunsmuir. Couple this with the normally slow turn-around time on box cars from the east due to the recent holiday season, and the results add up to a lack of available cars to load out our products.

We have experienced some plant closures already this year, due to this lack of equipment. We also have fallen behind in our shipping schedules so important to our customers. We all realize that circumstances are, at this time, beyond our control. However, this does not make lost time any easier to accept.

The current difficulties should be under control by middle to late January, and we can then anticipate normal train movements, barring unforeseen future weather problems.

Looking ahead, we should all take steps to advise our Representatives in Congress of our support of Bill HR-7165 that has been designed to help ease the box car shortage in normal times. This Bill, which covers a more equitable rental system for the use of box cars by non-owner lines, has already passed the Senate under Bill S-1098. It has been estimated that the nation needs 160,000 new box cars annually, so steps must be taken to start solving our box car problems.

"If you were President of the United States, what would you do about Viet Nam?"



Mike Nixon



Earl Jones



Fay Stiehl

Mike Nixon, Dry Kiln Stacker: "I'd make every effort for peace in Viet Nam using different offers. If that didn't work, then really 'give it to them' to stop the war. Let them know we mean business."

Earl Jones, Fork Lift Driver: "I believe we should get in with a little more, show our strength, get it over with and get out. I think we need to get more going and not to prolong the war."

Fay Stiehl, Tallyman in Shipping Department: "I think I'd sic Chiang Kai-shek on them. They are trained and ready to go. I think that we have to draw the line and stop them (the communists) somewhere, and it's better to draw that line over there instead of over here."

Bob Bruzelius, Car-loader in Shipping Department: "I'd either get out, or escalate the war to get it over with. I think we should go where necessary and use whatever weapons necessary, short of atomic, to get it over with."

Bob Ottoman, Carrier Driver: "I'd win the war, I guess. You can't pull out and leave the South Vietnamese, we're in too deep."

Sooper Snooper also heard that Sawmill Supervisor **Bill Buckingham** was looking for volunteers to help back his Japanese Mustang out of his favorite parking spot after it was hemmed in by the extension of tracks to accommodate one more chip car. We understand that **Bill** did get out in time for lunch.



Bob Bruzelius



Bob Ottoman

MEDCO Credit Union Schedules Annual Meeting for January 30 at K of C Hall

The month of January is annual meeting time. Time to review the 12 months just past and time to plan for the year ahead.

Your annual meeting will be held again at the Knights of Columbus Hall on Black Oak Drive, off Barnett Road, across from the Rogue Valley Hospital. The date is Sunday, January 30 and the time 1:30 p.m. Guest speaker will be Mr. Jim Johnson, Jackson County Teachers Credit Union.

This is your meeting, a time to voice your approval or disapproval of the credit union's operation. You can accomplish this in two ways. First, and

most important, by your vote. All shareholders should exercise their right to vote. You elect the officers that manage and run the credit union. Second, you have the right to question. At this annual meeting you are given reports from all committees that make up your credit union. Your officers will be on hand to answer any and all questions you may have, so bring them with you.

There will be a door prize drawing for a transistor radio and each person attending will receive a pen. Your credit union staff hopes to see each and every one of you on January 30.

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Record for Tungate; Century Prize to Hershiser

Bud Tungate's 669 scratch series is high for the year, and also the highest that can be remembered in the MEDCO League.

Clarence Hershiser bowled a 262 scratch game on December 20, which is high for '65. This game earned **Clarence** a "Century Award" shoulder patch which signifies that he has bowled a game 100 pins or more over his average.

The league has lost several members to the armed forces and for other reasons, so at this time, **we need four or five additional bowlers.** Averages run from 115 to 180, so you do not need to be a high-average bowler to belong to the league. There is room

and fun for bowlers of all categories.

Current MEDCO Bowling League Standings through January 10 are as follows:

	Won	Lost	Pct.
1. Sawmill_____	16	4	.800
2. Wreckers_____	14	6	.700
3. Chinese Bandits	13	7	.650
4. Rejects_____	11	9	.550
5. Mavericks_____	11	9	.550
6. Odds & Ends_____	11	9	.550
7. Five Stoogies_____	10	10	.500
8. Stump Jumpers_____	8	12	.400
9. Scratch Pads_____	7	13	.350
10. White Specks_____	7	13	.350
11. Blackjacks_____	6	14	.300
12. Laps & Gaps_____	6	14	.300



Raymond Jarvis, age 5, came along to help the "old man," Leroy Jarvis bring home the bacon—or in this case, the Christmas ham. The Jarvis family was one of more than 550 MEDCO families who enjoyed Christmas turkeys or hams on MEDCO.



"And now the late Mr. Quemby will explain what he did wrong."

MARKET REPORT —

(Continued from page 1)

In the lumber market, white fir is in the spotlight, with a surprising show of strength, considering the time of year. Car shortages and weather effects will still have to be measured on the lumber side before the pattern will show.

MEDCOoks corner

Mrs. Frank DeCosta, whose husband works in the Plywood Division, is the MEDCOok of the month! For sending along a perfectly delicious casserole for the January contest, **Mrs. DeCosta** will receive one dollar!

February's MEDCOok of the Month may be you! To enter the February contest, send along your favorite candy recipe. Since February is the Valentine month, this can be a favorite fudge, divinity, a special candy you've concocted, or maybe a Valentine treat. And, if your candy recipe is selected, you'll receive one dollar!

Mrs. Frank DeCosta's Taglorine

- 1 pkg. noodles
- 1½ lbs. hamburger
- 1 onion
- 2 or 3 cloves garlic
- 1 can mushrooms
- 1 can tomato sauce

Small package grated American Cheese

Fry onions and garlic in butter until clear, add mushrooms and tomato sauce. Fry hamburger in separate pan, and when done, combine with onion mixture.

Arrange cooked noodles in the bottom of the casserole. Pile meat mixture on top of noodles, and top all with grated cheese. Brown in oven.

Try **Mrs. DeCosta's** recipe soon—it's really great! And don't forget to send along your favorite candy recipe for the February contest!

Don't forget: Send your favorite candy recipe along to MEDCOoks Corner, P.O. Box 545, Medford, Oregon. If your recipe is judged the best of its type, **you will win a dollar!** We'll be looking for **your** recipe.